



**NJ DEPARTMENT OF STATE
OFFICE OF FAITH-BASED INITIATIVES GRANT PROGRAM**

Social Entrepreneur and Enterprise Development (SE²D) Project

The mission of the New Jersey Office of Faith Based Initiatives (NJOFBFI) is to eliminate barriers to funding and other resource opportunities, create greater access for partnership and enhance the capacity of faith and community based organizations (FBCOs) to create and implement innovative approaches that are designed for community and economic transformation.

The NJOFBFI will partner with faith and community based organizations to implement strategies that address social issues in new and exciting ways. More than ever nonprofit leaders need to be entrepreneurs. The job of operating a nonprofit organization has become increasingly complicated. Nonprofit leaders face government funding cuts and rising demands for performance and serious questions about the effectiveness and appropriateness of traditional charitable remedies for social problems. These changes pose both opportunities and challenges.

The underlying focus of the SE²D Project is to support Faith and Community Based Organizations (FBCOs) to develop and launch social entrepreneur ventures that employ earned income strategies to directly address social needs through goods and services.

In order to apply under this Request for Proposal (RFP) a representative from the organization must attend one of three mandatory training and technical assistance sessions. To register for one of the three mandatory training sessions please visit our website at http://www.nj.gov/state/programs/dos_program_faith_based_funding.html

If your organization is new to “Blue SAGE,” please visit our website and listen to our webinar “How to Register for SAGE.” How to register for SAGE will not be a topic that will be covered in our training and technical assistance sessions.

The SE²D program is competitive and it’s two tiered. An organization must participate in both tiers to be considered for funding:

Tier 1: Submit the application on SAGE

The maximum score that any one organization can receive for the application is 70. If the written application scores 39 or below it will not be considered for **Tier 2**

Tier 2: Pitch

The maximum score that any one organization can receive for the pitch is 30.

In order to be considered for funding the combination of the written application score and the pitch score cannot be 69 or lower.

If awarded, grantees may receive up to two years of grant support. The grant is not a two year grant; it’s actually two one year grants where grantees would have to reapply annually. After year one funding, the capital will be reduced by 50% for year two. For example in year one, the grantee will receive 100% of the award. In year two, the grantee will receive 50% of their year

one award. If programs are not deemed renewable based on their final report, unable to reach negotiated benchmarks, the inability to measure for impact and are unable to identify and access other financial resource, grants may not be renewed for year two.

Grant Awards are Subject to the Availability of Funding

OFBI funding period is from July 1, 2016 to June 30, 2017

Current NJOFBI SE²D Grantees are not eligible to apply under this Request for Proposal (RFP)

Eligibility Criteria to apply must:

- Be a faith-based non-profit and/or community-based organization;
- Be incorporated in the State of New Jersey as a non-profit corporation or a foreign non-profit corporation. A foreign non-profit corporation must provide a copy of the corporation's "Certificate of Authority";
- Be tax-exempt by determination of the Internal Revenue Service in accordance with Section 501 (c)3;
- Be in good standing with the Department of Treasury, Business Service Center;
- Be registered with the New Jersey Division of Consumer Affairs, Charitable Registration and Investigation Section;

Ineligible Applicants:

- Houses of Worship;
- Public/Private/Charter Schools and School Districts;
- Colleges/Universities;
- **Current SE²D I & II Grantees.**

Social Purpose Alliance Partners:

- May not partner with the lead organization's sister organization and/or for profit and non-profit organizations led by the same person or governing entity;
- Houses of Worship are eligible to partner as a collaborating organization;
- NJOFBI FY'17 grant award cannot be used to sub-contract with other organizations.

Category Descriptions

Applicants will apply and compete within the funding categories listed below. **Applications that are rated 69 percent or lower will not be recommended for funding.**

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SE²D Project (choose one)

Service Category	Maximum Request	Total Funding Available
SE ² D Project I	\$15,000 - \$25,000	\$150,000
SE ² D Project II	\$5,000 - \$10,000	\$150,000

SE²D Project I will provide capital formation investments (grants) to existing social enterprise venture (SEV) with the intent to leverage the SE²D Projects capital investment with other private investments designed to grow and eventually scale the enterprise.

SE²D Project I

- **Must provide a 50 in-kind match based on the requested funding amount.**
- SEV must be beyond the prototype and testing phase and must be at the growth phase;
- They must have been in operation for at least 1 – 3 years;
- Currently generates revenue;
- The SEV purpose is to address a social issue;
- Participate in mandatory capacity building entrepreneur training;
 - The cost for the business plan development training will be incorporated into the SE²D Project budget at \$700 per organization.

SE²D Project II will provide capacity building capital to nonprofit organizations that are in the emergent stage of forming SEVs and require intensive training and technical assistance, business plan development and executive staff mentoring, in an effort to move them from idea creation phase to mission phase. **Mission phase is the prototyping and testing of their social value proposition based on the recognition of an opportunity.**

SE²D Project II

- **Must provide a 50 percent in-kind match based on the requested funding amount.**
- Must commit to attend mandatory capacity building entrepreneur training sessions;
 - Two Day Social Entrepreneur Boot Camp (SEBC). SEBC is designed to immerse **SE²D Project II** participants in the theoretical understanding and practical application of what is an SEV and what's its role in embracing business concepts and market forces for the creation of innovative approaches to address social issues;
 - Participation by the organization's executive director, board president, board treasurer, and board secretary is mandatory.
- The idea submitted to create the SEV must address a social issue:
 - The idea to help people find work will not be funded;
 - The idea to help people sell their products separate and apart from the venture will not be funded;

- The idea of helping people create their home based micro businesses will not be funded.
- The business plan development training is designed to help **SE²D Project II** participants create compelling SEV business plans that allow them to access working capital;
 - Participation by the organization's executive director, board president, board treasurer, and board secretary is mandatory
- The cost for both the boot camp and the business plan development training will be incorporated into the **SE²D Project II** budget at \$1,400 per organization.

If the organizational representatives for SE²D I & II grantees do not actively participate in mandatory training and technical assistance, the organization will be in danger of losing its SE²D I & II funding and will be obligated to return all funding received.

Program Funding Provisions

All grant recipients will be required to comply with all items listed below.

- **Nondiscrimination by Religious Organizations and Entities**
Applicants agree that if provided funds for the expansion or development of a specific program from the New Jersey Department of State Office of Faith-based Initiatives, they will not discriminate against any employee or applicant for services or participation in the proposed program on the basis of religion, race, gender and/or physical disabilities.
- **Recognition of Cultural Sensitivity**
Applicants must assure programs are linguistically appropriate and culturally relevant to groups within the community. Appropriate accommodations for services will be developed and maintained for those individuals who are deprived of reasonable access to those services due to language barriers or ethnic and cultural differences. All programs and services *must* be reflective of the demographic needs of the community, while providing all people the opportunity to experience any and all available services irrespective of their ethnic or cultural heritage.

General Information:

Applicants can only apply for one funding category. If an applicant submits multiple proposals, all proposals involved will be disqualified from review. **Awards are subject to the availability of funding.**

**Grant Awards are Subject to the Availability of Funding
Application Due Date: 4:59PM, May 25th, 2016**

APPLICATION REQUIREMENTS

The proposal is to be submitted via the Department of State System for Filing Grants Electronically (SAGE) system no later than 4:59PM, May 25th, 2016.

All applications must consist of and include the following items in order to be considered complete:

APPLICATION FORMAT & SCORING

Executive Summary

5 points

- The Executive Summary should encapsulate the key points from the full plan; it should grab the reader's attentions.

Business Plan

Social Enterprise Venture Concept:

5 points

- Brief history of the organization and what prompted it to develop a social enterprise venture;
- What is the mission of the nonprofit and what is the mission of the social enterprise venture and do both missions align?
- Description of industry & competitors;
- Market opportunity and strategy to exploit it

Description of Business, Product, Service

5 points

- Describe the product that will be brought to market and/or is currently in the market and why was this product/service chosen?

Social Opportunity Recognized

10 points

- Describe the social issue that is being addressed and how will the venture help the organization address the social issue;
- What are the specific ways that make the approach chosen to address the social issue different, better, and new?
- Factors giving rise to the social opportunity recognized

Business & Social Goals and Objectives

10 points

- Business goals and objectives
- Social goals and objectives

Defining the Market

5 points

- Identify the customer segment for the social enterprise venture;
- Describe the willingness of customers to pay or private investors to support;
- Identify the client segment for the social innovative service;
- Describe the willingness of clients to participate in the innovative service;
- Describe the competitive advantage for both social enterprise and the social program;
- Pricing (cost structure) for service or product being brought to market

Organization and Management Team**5 points**

- Key management personnel (biographies, key relevant skill sets as it supports the identified venture);

Operations Plan**10 points**

- Describe how the venture works and how will it support the social approach;
- Describe the manufacturing process (if applicable);
- Describe the physical facilities and equipment;
- Describe any regulatory and/or legal issues;
- Indicate the delivery of social programming attributed to the potential increased revenue generated by social venture

Financing Requirements**15 points**

- Complete budget forms on SAGE;
- Provide a budget narrative justifying the submitted budget.

Required Appendices

- Copy of Certificate of Incorporation;
- Copy of IRS 501(c)3 Status Determination Letter;
- Board Resolution;
- Letters of Support from each of your social purpose alliance partners;
- State of New Jersey W-9 Questionnaire;
- Copy of Most Current Certificate of Standing;
 - The Certificate of Standing may be ordered on line for a fee.
 - Go to www.nj.gov/njbgs
 - Go to “I Want To” click on “Obtain Standing Certificate”
 - Scroll down to “Service Options” click “Online”
 - Click “Order Certificate”

Appendices

- Staff Resume;
- Organizational chart;
- Social enterprise venture chart;
- List of Board of Directors to include board titles.

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